Legislation Details (With Text)

File #:	23D-10	**Name:**	
Type:	DEDA Items	**Status:**	Passed
File created:	1/18/2023	**In control:**	Duluth Economic Development Authority.
On agenda:	1/25/2023	**Final action:**	1/25/2023
Enactment date:		**Enactment #:**	
Title:	RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH HARBORVIEW PHASE V, LLC FOR CONSTRUCTION OF THE AFFORDABLE SKYRIDGE FLATS PROJECT		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 23D-10-Skyridge Flats ARPA DA Final		

Date	Ver.	Action By	Action	Result

RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH HARBORVIEW PHASE V, LLC FOR CONSTRUCTION OF THE AFFORDABLE SKYRIDGE FLATS PROJECT

RESOLVED, that the proper DEDA official are hereby authorized to accept the transfer of $300,000 from the City to fund the agreement hereinafter referenced below; and

FURTHER RESOLVED, that the proper DEDA officials are hereby authorized to enter into an agreement, substantially in the form of Exhibit A attached hereto with Harborview Phase V, LLC in the amount of $300,000, payable from Fund 860 to support construction of the affordable Skyridge Flats Senior Apartments, subject to the City transferring $300,000 to DEDA to fund said obligation.

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize a development agreement with Harborview Phase V, LLC and acceptance of $300,000 from the City to support construction of the Skyridge Flats Senior Apartments located on Tract D in the existing Harbor Highlands development. The Housing and Redevelopment Authority of Duluth (HRA) is the sole member of Harborview Phase V, LLC. To support affordable housing development projects, the City will utilize modified revenue loss included in the updated American Rescue Plan Act (“ARPA”) guidance to provide project assistance out of the general fund and transfer to DEDA. The ARPA guidance allows for the City to fund provisions for governmental services included in the annual budget, thereby freeing up budgeted resources to subsidize the Skyridge Flats project.

The Skyridge Flats project will provide no less than 70 units of affordable one-bedroom apartments for seniors 55+, all of which will be reserved for those with a household income of 50% or less of the statewide area median income, 21 of which will be further restricted to 30% of area median income. Additionally, seven units will be set aside for homeless veterans.

The HRA received construction bids in November 2022 that were over $2,000,000 higher than originally estimated. In addition to the City and DEDA’s commitment of $300,000, the HRA has worked with the selected contractor to value engineer the project and reduce total costs by $500,000 while securing additional funding from Minnesota Housing Finance Agency and St. Louis County ARPA. The HRA will also defer a greater sum of their developer fee to support the project.